

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

TO: James J. Waldron, Clerk

CASE NO. 07-15195 (MS)

IN RE: Bayonne Medical Center

CHAPTER 11

INFORMATION FOR NOTICE OF SETTLEMENT OF CONTROVERSY

Allen D. Wilen, Liquidating Trustee, proposes to settle an action, the nature of which is described below.

If any creditors or other party in interest has an objection to the settlement, an objection and request for a hearing on such objection shall be in writing, served upon the person named below and filed with the Clerk of the United States Bankruptcy Court.

Such objection and request shall be filed with the Clerk and served upon the person named below no later than twenty days from the date of this notice.

In the event an objection is timely filed, a hearing thereon will be held on August 10, 2009 at 9:30 a.m.

If no objection is filed with the Clerk and served upon the person named below on or before twenty days from the date of this notice, the settlement will be consummated as proposed on or after twenty-five days from the date of this notice.

The nature of the action and the terms of the settlement are as follows:

NATURE OF ACTION	PERTINENT TERMS OF THE SETTLEMENT
<p>An adversary complaint (Adv. Pro. No. 09-1554) was filed against HCSC-Laundry, a Division of Hospital Central Services Cooperative, Inc. ("HCSC"), seeking to recover \$155,914.73 in alleged preferential transfers.</p> <p>HCSC maintains that it has valid defenses to the adversary complaint which eliminate or substantially reduce any liability for preferential transfers. HCSC has provided the Liquidating Trustee's counsel with documents supporting its defenses.</p>	<p>After arm's length negotiations, HCSC has agreed to pay, and the Liquidating Trustee has agreed to accept, \$5,000.00 in full and final satisfaction of any liability HCSC may have for alleged preferential transfers from Bayonne Medical Center.</p> <p>As additional consideration, HCSC will waive all of its claims against the Estate and the Liquidating Trust.</p> <p>Payment of the settlement amount will be made within five (5) days after approval of the settlement by the Court.</p> <p>The Liquidating Trustee believes that this settlement is in the best interest of the Estate, as it avoids the costs, uncertainty and delay associated with continued litigation.</p>

Request for additional information about the nature or the terms of the settlement should be directed to:

NAME: Valerie A. Hamilton, Counsel to Allen D. Wilen, Liquidating Trustee

ADDRESS: Sills Cummis & Gross, 650 College Road East, Princeton, NJ 08540

TELEPHONE NO: (609) 227-4600

SUBMITTED BY: /s/ Valerie A. Hamilton

Valerie A. Hamilton, Esq.

POSITION: Counsel to Allen D. Wilen, Liquidating Trustee

FOR CLERK'S OFFICE USE ONLY

LINES 137-157

TYPE OF TASK _____

FORM # _____ STATEMENT _____

NJ LOCAL FORM 10